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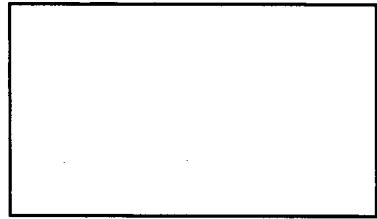
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Tuesday 3 October 1978 CG NIDC 78/231



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PALESTINIANS: Position on Lebanon

[redacted] //Fatah leader Yasir Arafat apparently is opposed to an international conference on Lebanon. Palestinian forces have avoided involvement in the current upsurge of fighting in Lebanon, but significant Christian provocations could draw them in.//

[redacted] //Arafat probably fears that the results of a conference would adversely affect the Palestinian presence in Lebanon. He is probably apprehensive that attempts would be made to restrict further Palestinian military activity in the country and thus weaken the tactical position of the Palestine Liberation Organization and reduce the organization's political leverage on the West Bank and Gaza issues.//

[redacted] //The PLO has not yet reacted to the latest round of Christian-Syrian fighting in Lebanon but over the past several months the Palestinians have avoided involvement in similar clashes, partly to avoid jeopardizing their overall position in Lebanon. In the past, the Syrians have counseled the Palestinians to stay out of the fighting.//

[redacted] //Significant Christian provocations against Palestinian positions or against their leftist Lebanese allies, however, could draw the Palestinians into the fighting. We have no indications that the Palestinians deliberately plan to stir up problems in Lebanon as a way of undermining the Camp David accords. [redacted]

[Redacted]

EGYPT: Sadat's New Prime Minister

[Redacted] Egyptian President Sadat's detailed public defense yesterday of the agreements he signed at Camp David is likely to boost his stock further in Egypt. His naming of Dr. Mustafa Khalil as Prime Minister should impart a new sense of direction to a bureaucracy convinced since late July that Prime Minister Salim was on his way out.

[Redacted] Sadat's speech to the People's Assembly was a hard-hitting point-by-point counterattack against critics of the Camp David agreements. Sadat attacked Syria, the Palestine Liberation Organization, and Libyan President Qadhafi most strongly; he handled Saudi Arabia and Jordan gingerly.

[Redacted] Sadat strongly denied abandoning the Arab position that had been outlined at the Rabat summit, and catalogued the gains for Palestinians under the agreement. He challenged rejectionist Arabs to offer realistic alternatives to what he has accomplished. Sadat acknowledged that he did not conclude a comprehensive agreement at Camp David but said the process to end the Middle East stalemate was begun.

[Redacted] The Egyptian President skillfully played on two sentiments now prominent in Egypt--the unassailability of Egypt's contribution to the Arab cause, and the right of Egypt to control its own destiny.

[Redacted] The appointment of Khalil to be Prime Minister was not unexpected. The 58-year-old Khalil is a US-educated, pro-Western, economist and engineer who has been prominent in Egyptian political circles for more than 20 years. He has not been tainted by the charges of corruption and inefficiency that contributed to Salim's downfall. Khalil's most recent job has been that of Secretary General of the Arab Socialist Union, the umbrella organization that supervises the activities of all Egypt's political parties.

[redacted] Khalil's appointment should reassure Egyptian politicians who are nervous about how radical a change Sadat intends in his current political restructuring. Egyptian leftists, however, will conclude that government attacks on them will continue.

[redacted] Under Khalil, the government will probably place renewed emphasis on determining popular views. The Acting Secretary General of Sadat's new party recently criticized Salim for relying on "university professors and technocrats" instead of politicians and thereby creating a political vacuum and isolating the government from its popular base.

[redacted] In cautioning Egyptians that peace would not be translated into prosperity overnight, Sadat appeared to reflect concern over unrealistically high expectations among the lower classes. [redacted]